

**Exhibit "A" – Borrowers List (United States of America v. Philip William Coon, U.S.  
District Court, Middle District of Florida, Case No.: 8:08-cr-441-T-17MAP)**

- |                                 |   |
|---------------------------------|---|
| 1. George Daly                  | 28. Nydia Yanira Diggs                    |
| 2. Michael Zarko                | 29. Victor Cioffi                         |
| 3. Frank Esposito               | 30. Robert & Lucille Fair                 |
| 4. Carl Cirinelli, Sr.          | 31. Zoilita Rivera                        |
| 5. Clara Gianella               | 32. Paul Kaplan                           |
| 6. Magda Paskowski              | 33. Amy Blacker                           |
| 7. Angelo Cirinelli             | 34. Patricia Brabant                      |
| 8. Deborah Maddi                | 35. Donna Lillo                           |
| 9. Richard & Kortney Cocchiaro  | 36. Thomas Clifford and Roseanne Clifford |
| 10. Anthony Martelli            | 37. Erik Engel                            |
| 11. Janine Martelli             | 38. Brian Goodger                         |
| 12. Thomas Martelli             | 39. Alan and Sandra Ianuzzi               |
| 13. Peter Palumbo               | 40. Sandi Williams                        |
| 14. Ana Palumbo                 |   |
| 15. William Daly                |   |
| 16. Craig & Cheryl Rymal        |   |
| 17. Robert Benward              |   |
| 18. Phil Giunta                 |   |
| 19. Joanne Melito               |   |
| 20. Erik & Kathryn Matthews     |   |
| 21. Craig Kappmeier             |   |
| 22. Doreen Porto                |   |
| 23. Michael DiTaranto           |   |
| 24. Anthony DelGaudio           |   |
| 25. Suzanne DelGaudio           |   |
| 26. Manjula & Jitendra Upadhyay |   |
| 27. Michael O'Rourke            |   |

**Exhibit “B” – HUD-1 Closing Statement Example (United States of America v. Philip  
William Coon, U.S. District Court, Middle District of Florida,  
Case No.: 8:08-cr-441-T-17MAP)**

# Settlement Statement

(a. Mortgage Ins. Case No.)

C. Note:

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This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked ("POC") were paid outside the closing; they are shown here for information purposes and are not included in the totals.

D. Name of Borrower: Clara M. Giannella, 81 Falls Bridge Drive, Totowa, NJ 07512

E. Name of Seller: Enchanted Homes, Inc., PO Box 3482, North Fort Myers, FL 33918

F. Name of Lender: Coast Bank of Florida ISAOA, ATIMA, 6205 Cortez Road West, Bradenton, FL 34210

G. Property Location: Lot 18 & 19, Block 5665, Cape Coral Subdivision, Unit 85

3508 NE 21st Place, Cape Coral, FL 33909

H. Settlement Agent: Executive Title Insurance Services, Inc. (239) 945-0066

TIN: 65-0093460

Place of Settlement: 4049 Del Prado Boulevard, Cape Coral, FL 33904

I. Settlement Date: 5/26/2006

Proration Date: 5/26/2006

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross amount due from borrower:		400. Gross amount due to seller:	
101. Contract sales price		401. Contract sales price	
102. Personal property		402. Personal property	
103. Settlement charges to borrower (line 1400)	15,145.25	403.	
104.		404.	
105. Construction Contract	395,000.00	406. Construction Contract	395,000.00
Adjustments for items paid by seller in advance:		Adjustments for items paid by seller in advance:	
106. City/town taxes		406. City/town taxes	
107. County taxes		407. County taxes	
108. Assessments		408. Assessments	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. Gross amount due from borrower:	410,145.25	420. Gross amount due to seller:	395,000.00
200. Amounts paid by or in behalf of the borrower:		500. Reduction in amount due to seller:	
201. Deposit or earnest money	39,500.00	501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)	355,500.00	502. Settlement charges to seller (line 1400)	0.00
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506. Deposit or earnest money	39,500.00
207.		507.	
208.		508. Lot Cost	94,531.85
209.		509. LIP	193,662.00
Adjustments for items unpaid by seller:		Adjustments for items unpaid by seller:	
210. City/town taxes		510. City/town taxes	
211. County taxes		511. County taxes	
212. Assessments		512. Assessments	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total paid by/for borrower:	395,000.00	520. Total reduction in amount due seller:	327,693.85
300. Cash at settlement from/to borrower:		600. Cash at settlement to/from seller:	
301. Gross amount due from borrower (line 120)	410,145.25	601. Gross amount due to seller (line 420)	395,000.00
302. Less amount paid by/for borrower (line 220)	395,000.00	602. Less total reduction in amount due seller (line 520)	327,693.85
303. CASH (X) FROM ( ) TO BORROWER	15,145.25	603. CASH ( ) FROM (X) TO SELLER	67,306.15

**SUBSTITUTE FORM 1099 SELLER STATEMENT** - The information contained in Blocks E, G, H and I and on line 401 (or, if line 401 is asterisked, lines 403 and 404), 406, 407 and 408-412 (applicable part of buyer's real estate tax reportable to the IRS) is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.

**SELLER INSTRUCTION** - If this real estate was your principal residence, file form 2119, Sale or Exchange of Principal Residence for any gain with your income tax return for other transactions, complete the applicable parts of form 4797, Form 6252 and/or Schedule D (Form 1040).

You are required by law to provide Executive Title Insurance Services, Inc. (239) 945-0066 with your correct taxpayer identification number.

Exhibit "B"



705.	Items payable in connection with loan		
801.	Loan origination fee	to American Mortgage Link (2%)	7,110.00
802.	Loan discount		
803.	Appraisal fee	to Alliance Appraisals	POCM 400.00
804.	Credit report		
805.	Lender's inspection fee		
806.	Mortgage insurance application fee		
807.	Assumption fee		
808.	Processing fee	to Solutions Processing	750.00
809.	Tax Service Fee	to First American	80.00
810.	Underwriting Fee	to Coast Bank of Florida ISAOA, ATMA	195.00
811.	Express Mail Fee	to Coast Bank of Florida ISAOA, ATMA	50.00
812.	Inspection Fees	to Coast Bank of Florida ISAOA, ATMA	375.00
813.	Construction Administration	to Coast Bank of Florida ISAOA, ATMA	395.00
814.	Flood Certification Fee	to First American	23.00
815.	Document Preparation Fee	to Coast Bank of Florida ISAOA, ATMA	325.00
816.	Data Storage Fee	to SDE, A Total Solution	35.00
817.	Reimbursement Appraisal Fee	to American Mortgage Link	400.00
800.	Items requested by lender to be paid at closing		
801.	Interest from		
902.	Mortgage insurance premium for		
903.	Hazard insurance premium for		
904.			
905.			
1000.	Reserve charges, other than:		
1001.	Hazard insurance		
1002.	Mortgage insurance		
1003.	City property taxes		
1004.	County property taxes		
1005.	Annual assessments (maint.)		
1006.	Flood insurance		
1007.			
1008.			
1009.	Aggregate Adjustment		
1100.	Title Charges		
1101.	Settlement or closing fee	to Executive Title Insurance Services, Inc.	250.00
1102.	Abstract or title search	to Executive Title Insurance Services, Inc.	100.00
1103.	Title examination	to Executive Title Insurance Services, Inc.	50.00
1104.	Title insurance binder		
1105.	Document preparation		
1106.	Notary fees		
1107.	Attorney's fees to		
1108.	Title insurance	to Executive Title Insurance Services, Inc.	2,075.00
1109.	Lender's coverage	\$365,500.00	\$25.00
1110.	Owner's coverage	\$395,000.00	\$2,050.00
1111.	Endorsements 6.1, 6.1		
1112.	Florida Form 9 Endorsement	to Executive Title Insurance Services, Inc.	50.00
1113.	Courier Fees	to Executive Title Insurance Services, Inc.	207.50
1114.	Loan Release/Termination of NCC	to Executive Title Insurance Services, Inc.	85.00
1115.	Florida Form 9.1 Owners (top)	to Executive Title Insurance Services, Inc.	18.50
1116.	Final Update @ c/o	to Executive Title Insurance Services, Inc.	207.50
1200.	Government recording and transfer charges		50.00
1201.	Recording fees:	Mortgage \$186.50	188.50
1202.	City/county taxstamps:	Mortgage \$711.00	711.00
1203.	State taxstamps:	Mortgage \$1244.25	1,244.25
1204.	Record Notice of Commencement to	Clerk of the Circuit Court	15.00
1205.			
1206.			
1300.	Additional settlement charges		
1301.	Survey		
1302.	Pest inspection		
1303.	2005 Taxes Paid		
1304.	Document Signing Fee	to DCI	175.00
1305.			
1306.			
1400.	Total settlement charges (entered on lines 103, section J and 502, section K)		15,145.25

CERTIFICATION: I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me or its predecessor. I further certify that I have received a copy of HUD-1 Settlement Statement.

Forwarded Electronic Inc

**Exhibit "C" – Form 8-K, SEC Filing, January 12, 2007 (United States of America v. Philip William Coon, U.S. District Court, Middle District of Florida, Case No.: 8:08-cr-441-T-17MAP)**

8-K 1 d8k.htm FORM 8-K

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K****CURRENT REPORT****Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934****Date of Report (Date of earliest event reported): January 12, 2007****COAST FINANCIAL HOLDINGS, INC.**

(Exact Name of Registrant as Specified in its Charter)

**Florida**  
(State or Other Jurisdiction  
Incorporation)**000-50433**  
(Commission File Number)**14-1858265**  
(IRS Employer  
Identification Number)**1301 - 6<sup>th</sup> Avenue, Suite 300, Bradenton, Florida**  
(Address of Principal Executive Offices)**34205**  
(Zip Code)**Registrant's telephone number, including area code: (941) 752-5900**

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Exhibit "D"



**Item 2.06. Material Impairments.**

Coast Financial Holdings, Inc. (the "Company"), the holding company for Coast Bank of Florida (the "Bank"), has been advised of circumstances that are reasonably likely to have a material adverse impact on its construction-to-permanent residential loan portfolio. Each of the Bank's construction-to-permanent residential loans ("residential construction loans") are with individual owners of properties ("Borrowers") who have separately contracted with builders to construct single family dwellings thereon. A local builder ("Builder") that has been hired by a significant number of Borrowers has indicated that it may not have sufficient financial resources to complete its existing construction contract commitments. In this regard, the Bank has been advised that subcontractor and other liens have been placed on several of the existing construction projects with its Borrowers and has been advised by the Builder that it has effectively ceased construction activities.

The Bank is in the process of reviewing the full residential construction loan portfolio and, as of the date of this report, has determined that the Builder and affiliates ("Builder Group") have construction contracts with approximately 482 Borrowers for which the Bank has committed approximately \$110 million to fund the construction of such Borrower's homes. More than half of the committed funds have been disbursed to date. The Bank's loans are directly with the Borrowers, and it is the Borrowers who are responsible for completing the construction of their single family dwellings and repaying the debt obligation. The failure of the Builder Group to complete construction, however, may materially adversely impact the ability of the Borrowers to satisfy their obligations under the residential construction loan and, in turn, may adversely affect the value of the Bank's collateral.

The Company currently is taking steps to assess the impact that these developments may have on the Bank and its Borrowers. The Bank is evaluating each residential construction loan involving the Builder Group to determine the status and progress of the construction, the amounts needed to complete construction, the draws available under the existing residential construction loans, the deficiencies, if any, and the current performance of the Borrower under each loan. Further, the Audit Committee of the Company, working with independent professionals, will conduct a broader review of the construction-to-permanent residential loan program to ascertain whether other significant builder relationships exist within the portfolio and, if so, whether similar risks to performance are present. The Audit Committee also will evaluate the internal controls and underwriting procedures used with the construction-to-permanent residential loan program. While this review is ongoing, the Bank has determined to cease the generation of additional residential construction loans.

Because the Bank has not completed its review of the residential construction loan portfolio involving the Builder Group and has not been able to verify the financial viability of the Builder Group, the Company is unable to presently determine the impact that these developments may have on its loan portfolio or results of operations. Based on the limited facts currently available to the Company, management believes that a material charge to its loan portfolio for impairment is reasonably likely to be required under general accepted accounting principles. The Company currently is unable to provide an estimate or range of the amounts of the potential impairment charge. Similarly, the Company currently is unable to assess the adequacy of its loan loss provision or the classification of the loans in its residential construction loan portfolio.

The Company will evaluate the possible courses of action to mitigate any loss that may result from these residential construction loans. Because we are unable to determine the extent to which any workouts may be required or the extent of the current review process, we are unable to estimate the out-of-pocket expenditures, including legal fees, that may be incurred in connection therewith.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COAST FINANCIAL HOLDINGS, INC.

Date: January 18, 2007

By: /s/ Brian F. Grimes  
Brian F. Grimes  
*President and Chief Executive Officer*